

**APPENDIX A**

**ABBREVIATIONS AND  
GLOSSARY OF TERMS**

## ABBREVIATIONS

CBO	Congressional Budget Office
CDA	Comprehensive Damage Assessment
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CFR	Code of Federal Regulations
CME	Coastal and Marine Environments (Damage Assessment Model)
CRIS	Court Registry Investment System
CV	Contingent Valuation
CWA	Clean Water Act
CZMA	Coastal Zone Management Act
DOI	Department of Interior
EDA	Expedited Damage Assessment
EPA	Environmental Protection Agency
ESA	Endangered Species Act
FR	Federal Register
FWS	Fish and Wildlife Service
GDP	Gross Domestic Product
GLE	Great Lakes Model (Damage Assessment Model)
NEPA	National Environmental Policy Act
NOAA	National Oceanic and Atmospheric Administration
NPS	National Park Service
NRDA	Natural Resource Damage Assessment
OMB	Office of Management and Budget
OPA	Oil Pollution Act
PV	Present Value
RUM	Random Utility Model
TCM	Travel Cost Method
USC	United States Code
WTP	Willingness To Pay

## GLOSSARY OF TERMS

<b>Averting Behavior</b>	Any activity an individual undertakes to avoid or mitigate an external effect. For example, an individual might purchase bottled water to avoid a perceived health risk associated with a public water source.
<b>Baseline Condition</b>	The state of the environment that would exist in an assessment area but for a hazardous substance discharge or release.
<b>Benefits Transfer</b>	The application of economic data, functions or models collected or defined in one resource or service valuation context, to the valuation of resources or services in a second, similar context.
<b>Bequest Value</b>	A component of the <i>passive use value</i> of a natural resource to an individual, based on the individual's desire to ensure that future generations will have the opportunity to use or enjoy the resource; sometimes referred to as <i>preservation value</i> .
<b>Biological Equivalency Method</b>	<i>see Habitat Equivalency Method</i>
<b>Committed Use</b>	Either a current public use or a planned public use of a natural resource for which there is a documented legal, administrative, budgetary or financial commitment established before the release is detected.
<b>Compensable Value</b>	The amount of money (or monetary equivalent) required to make the public whole for losses incurred during the period between the release of a hazardous substance and the restoration of injured resources and services to their baseline conditions; also referred to as <i>interim loss</i> .
<b>Compensation Formula</b>	A simple tool used to determine economic damages associated with injuries caused by relatively small discharges of oil (10 gallons to 50,000 gallons).
<b>Compensatory Services</b>	Natural resource services provided in compensation for compensable value.
<b>Compounding</b>	The process of converting sums paid in the past to current values.
<b>Consumer Surplus</b>	The difference between what a consumer is willing to pay for a good and what is actually paid.

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<b>Contingent Valuation</b>	A survey technique used to elicit the public's willingness to pay for goods or services that are not commonly available in markets (e.g., clean water). The survey involves the use of a hypothetical, or "contingent," market.
<b>Cost Effectiveness</b>	A project evaluation criteria wherein when two or more actions provide the same level of benefits, the least costly action is selected.
<b>Damages</b>	Compensation for injury to, destruction of, loss of, or lost use of natural resources, including the costs of assessing the nature and extent of such injury and the costs to restore injured resources to their baseline conditions.
<b>Direct Costs</b>	Those costs directly attributable to a selected restoration alternative ( <i>see Indirect Costs</i> ).
<b>Direct Use Value</b>	The value of <i>in situ</i> use of a natural resource.
<b>Discounting</b>	The process of converting sums paid in the past or future to current values. Discounting is based on the principle that a dollar paid today is worth more than a dollar paid sometime in the future. The discounting of past sums to present values is also referred to as <i>compounding</i> .
<b>Discount Rate</b>	The rate of interest at which past or future sums are converted to present values.
<b>Economic Rent</b>	The producer surplus provided by a resource after all factors of production have obtained the minimum return needed to keep them engaged in the activity.
<b>Existence Value</b>	A component of the <i>passive use value</i> of a natural resource to an individual, reflecting a willingness to pay to assure that the resource exists in a given state, regardless of any current use or planned use of the resource.
<b>Expedited Damage Assessment</b>	A damage assessment approach that generally relies on simplified valuation methods and available data (as opposed to a comprehensive assessment).
<b>Grossly Disproportionate Test</b>	The concept that the cost of a selected restoration option should not be substantially greater than the expected benefit of the option. ( <i>see Chapter 1</i> ).

**Habitat Equivalency**

**Method**

An approach for determining compensation required as a result of natural resource injury based on the principle that the public can be compensated for the past loss of natural resource services through the provision of additional services of the same type in the future; sometimes referred to as the *biological equivalency method*.

**Indirect Costs**

Costs associated with activities or items required to support a restoration alternative. For example, labor overhead. (*see Direct Costs*).

**Injury**

An adverse change in the quality of a natural resource, or in the services provided by the resource, resulting directly or indirectly from the release of a hazardous substance into the environment. (*See 43 CFR 11.14 and 15 CFR 990.13 for complete regulatory definitions of injury.*)

**Injury Determination**

The process by which the nature of the injury to natural resources or services is documented.

**Injury Quantification**

The process by which the extent of the injury to natural resources or services is documented.

**Interim Loss**

The loss of natural resources or services during the period between the release of a hazardous substance and the restoration of the injured resources and services to their baseline conditions.

**Natural Resources**

Land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States, any state or local government, any foreign government, or any Indian tribe. (*See 43 CFR 11.14(Z) and 15 CFR 990.13 for a complete regulatory definition of natural resources.*)

**Nominal Discount Rate**

A discount rate that has not been adjusted to account for inflation.

**Nonuse Value**

*see Passive Use Value.*

**Passive Use Value**

The component of the value of a natural resource that is not based on the *in situ* consumption or utilization of the resource (*see Bequest Value, Existence Value, Nonuse Value and Preservation Value*).

**Preliminary Assessment**

An estimate of economic damage, including the cost of restoration activities and compensable values, developed early in the damage assessment process.

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<b>Preassessment Screen</b>	A report that documents establish that injury has occurred to natural resources for which trustees are responsible and which evaluates the probability that a claim for damages will be successful. The preassessment screen is the final product of the preassessment phase of the damage assessment process.
<b>Present Value</b>	The current, discounted value of a past or future sum.
<b>Preservation Value</b>	A component of the <i>passive use value</i> of a natural resource to an individual, based on the individual's desire to ensure that current and future generations will have the opportunity to use or enjoy the resource ( <i>see Bequest Value</i> ).
<b>Producer Surplus</b>	The difference between the price at which a producer is willing to sell a good for and the price actually received.
<b>Random Utility Model</b>	A valuation approach based on the principle that an individual will choose among alternative recreation sites on the basis of the relative quality of the sites' characteristics, including the distance to the sites.
<b>Real Discount Rate</b>	A discount rate that has been adjusted to account for inflation.
<b>Restoration</b>	Actions taken to return an injured resource to its baseline condition; may involve replacement, rehabilitation or acquisition of the equivalent of the injured resource.
<b>Services</b>	The physical, chemical, biological, aesthetic and cultural functions performed by natural resources, including the human uses of those functions. Services provided by natural resources can accrue to other, non-human resources and need not be consumptive.
<b>Speculative Losses</b>	An economic loss associated with any resource use for which no significant consideration was given prior to the release.
<b>Travel Cost Model</b>	A valuation approach that uses the cost of travel to a site as an implicit price for site usage in order to estimate a demand curve for that site.
<b>Trustee</b>	An official of the federal government, a state government or an Indian tribe who may present a claim for and recover damages for injury to natural resources.